



Executive Board Meeting AGENDA

Foothill Transit

EXECUTIVE BOARD MEETING – STUDY SESSION

8:00 AM, April 29, 2011

Foothill Transit Administrative Office

2nd Floor Conference Room

100 South Vincent Avenue

West Covina, CA 91790

1. CALL TO ORDER
2. ROLL CALL: MEMBERS CHANDLER, DELACH, HERRERA, LANTZ, WALLACH
3. PUBLIC COMMENT
4. OPERATIONS AND MAINTENANCE CONTRACT PROCUREMENT

Recommended Action: Provide direction regarding upcoming operations and maintenance contract procurements.
5. EXECUTIVE DIRECTOR COMMENT
6. BOARD MEMBER COMMENT
7. ADJOURNMENT

Public Comment: Members of the public shall have the right to address the Board on any item of interest which is within the jurisdiction of the Board before or during the Board's consideration of the item. Presentation shall not exceed three minutes in length. Action may be taken on any item identified on the agenda. Persons wishing to comment should submit a "Request to Speak" form to the Secretary. Note: ACTION MAY BE TAKEN ON ANY ITEM IDENTIFIED ON THE AGENDA.

In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please contact the Executive Director's office at (626) 967-3147 extension 7204, at least 48 hours prior to the meeting.

Limited English Proficiency (LEP) persons, if you require translation services, please contact the Executive Director's office at (626) 967-3147 extension 7204, at least 48 hours prior to the meeting.

The public may view and obtain all written information supporting this agenda provided to the board both initially and supplementary prior to the meeting by calling (626) 967-3147 extension 7204 or at the agency's offices located at 100 S. Vincent Ave., Suite 200, West Covina, CA 91790. Documents, including PowerPoint handouts, distributed to Board Members by staff or Board Members at the meeting will simultaneously be made available to the public upon request.

April 29, 2011

To: Executive Board

Subject: **Operations and Maintenance Contract Procurement**

Recommendation

Provide direction regarding upcoming operations and maintenance contract procurements.

Analysis

Foothill Transit's operations and maintenance agreements for the agency's Pomona and Arcadia/Irwindale facilities are scheduled to terminate on February 4 and July 15 of 2012, respectively, and the procurement process will begin in the coming months.

There are a number of possible changes to terms and conditions that can be incorporated into the new contracts that may better serve Foothill Transit and which require the Executive Board's consideration.

Contract Term

The current contract start and end dates were selected to coincide with the opening of Foothill Transit's facilities in Pomona and Arcadia/Irwindale. Aligning contract start and end dates – and any contract escalators - to coincide with Foothill Transit's fiscal year would allow for ease of budgeting and facilitate better synchronization with the State Transit Assistance (STA) Operating Eligibility Test. This test compares an agency's operating cost increase over a given July 1 to June 30 fiscal year to the growth in the consumer price index (CPI) over the same period. If the rate of increase in Foothill Transit's operating costs exceeds CPI for the same period, the agency is not allowed to use its STA funds for operations in the following year.

It is also proposed that the terms of the Pomona and Arcadia/Irwindale operations and maintenance contracts be staggered so that those contracts terminate on June 30 of different years. In order to facilitate this, it is proposed that the agreement for the Pomona contract include a first "base year" of 17 months – from February 1, 2012 to June 30, 2013. Successive "contract years" would run from July 1 to June 30. It is proposed that the operations and maintenance contract for Foothill Transit's service in Pomona have a base term of February 1, 2012 to June 30, 2015. The request for proposals (RFP) could then also include one or more one-year or two-year options.

The current agreement for operations and maintenance at Foothill Transit's Arcadia/Irwindale facility can be extended on a month-to-month basis through August 31, 2012 and a new agreement for the Arcadia/Irwindale contract could include a first

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base term from September 1, 2012 to June 30, 2016. It could then also include one or more one or two-year options.

Contractor Labor Agreements

There are currently no stipulations in either operating agreement pertaining to how collective bargaining agreements may or may not coincide with the term of the operating contracts. It may be beneficial to the agency to include such stipulations regarding the term(s) of any such collective bargaining agreements.

Invoicing methodology

The current operating agreements stipulate that Foothill Transit's operations contractors develop their cost models around a cost per hour of revenue service. This practice does not lend itself to encouraging contractors to identify ways to shorten running times for routes.

To encourage the identification and implementation of more time-efficient schedules, the new operating contracts would stipulate that invoicing be done on a cost per mile basis, rather than a cost per hour basis. This could be accomplished in one of two ways. Contractors could be required to base their billing on a fixed rate per service mile; or on a fixed fee plus a rate per revenue mile operated. The second approach facilitates the contractor's recovery of fixed costs in the fixed fee portion while the rate per revenue mile would cover variable costs.

Electric Bus Battery Replacement

It may be in Foothill Transit's best interest to directly assume the cost of future battery replacement on the electric bus fleet, rather than place that requirement on the successful proposer.

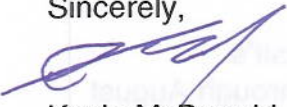
Incentive Payments

Foothill Transit may wish to place conditions on how operations contractors may earn or apply any incentives. Incentives could be granted at the sole discretion of the Executive Board, or they could be earned (annually or quarterly) upon achievement of specific performance targets.


Financial Liquidity Requirement

This element could be evaluated on a pass/fail basis or scored as part of the proposer's technical capacity.

Sincerely,



Kevin McDonald
Deputy Executive Director



Doran J. Barnes
Executive Director